

THE FEDERAL EMERGENCY MANAGEMENT AGENCY'S EMERGENCY FOOD SUPPLY SYSTEM

(110-30)

HEARING

BEFORE THE

SUBCOMMITTEE ON

ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS AND
EMERGENCY MANAGEMENT

OF THE

COMMITTEE ON

TRANSPORTATION AND

INFRASTRUCTURE

HOUSE OF REPRESENTATIVES

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U.S. House of Representatives
Committee on Transportation and Infrastructure
Washington, DC 20515

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April 19, 2007

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SUMMARY OF SUBJECT MATTER

TO: Members of the Subcommittee on Economic Development, Public Buildings, and Emergency Management

FROM: Subcommittee on Economic Development, Public Buildings, and Emergency Management Staff

SUBJECT: Hearing on FEMA's Emergency Food Supply System

PURPOSE OF THE HEARING

On Friday, April 20, 2007 at 9:00 a.m., in room 2253 Rayburn House Office Building, the Subcommittee on Economic Development, Public Buildings, and Emergency Management will hold a hearing on the Federal Emergency Management Agency's (FEMA) system of food distribution in response to an emergency.

BACKGROUND

On April 14, 2007, the *Washington Post* reported that 13.4 million prepared meals, held in reserve by FEMA for the purpose of distribution during emergency or natural disaster, went unused or spoiled during the 2006 hurricane season.¹ The same *Washington Post* article revealed that the vast majority of these meals, or 13 million meals valued at \$70 million, were donated to a hunger relief agency that provides food to homeless shelters and food banks. An additional 400,000 meals, valued at \$2.2 million, spoiled due to storage in trailers without proper temperature controls.

Forecasts for the 2006 hurricane season predicted between 13 to 16 major storms, with 8 to 10 projected to become hurricanes, and at least four to become major hurricanes. During the 2005 hurricane season, which included response to Hurricanes Katrina and Rita, FEMA faced severe criticism for its sluggish response in providing food and water to victims. For the 2006 season, FEMA bought and stored approximately 13 million meals to add to its existing inventory of about

¹ "FEMA Doubles Estimate of Lost Meals to 13 Million," *The Washington Post*, April 14, 2007.

two million meals. According to FEMA, this inventory of pre-packaged meals was positioned to support a rapid response to victims of these predicted storms and hurricanes.

However, the 2006 season produced only one relatively mild storm, Hurricane Ernesto. The vast majority of the meals held in reserve by FEMA had expiration dates within the 2006 hurricane season and would not carry over to 2007. As a result, FEMA decided to donate these 13 million meals to Second Harvest, a community-support organization to assist those in need.

FEMA recently notified the Subcommittee of a partnership it has entered into with the Defense Logistics Agency (DLA). DLA provides supplies, technical services, and logistics support to branches of the United States military as well as to several civilian agencies. This partnership is intended to ensure a continuous inventory and delivery of fresh meals to those requiring assistance during a national disaster, and to address the expiring inventory and spoilage problems FEMA experienced during the 2006 season.

Consistent with the requirements of the Department of Homeland Security Appropriations Act of 2007 (P.L. 109-295, Title VI, section 636 Logistics), the Administrator of FEMA is required to “develop an efficient, transparent, and flexible logistics system for procurement and delivery of goods and services necessary for an effective and timely response to natural disasters, acts of terrorism, and other man-made disasters and for real time visibility of items at each point throughout the logistics system.” In light of FEMA’s recent actions, the Subcommittee will examine the effectiveness and efficiency of FEMA’s food storage and delivery system, as well as its planning for the provision of food in the event of a disaster during this hearing.

WITNESSES

Mr. R. David Paulison (invited)
Administrator
Federal Emergency Management Agency

Mr. Larry Glasco
Deputy Director
Logistics Operations and Readiness
Defense Logistics Agency

HEARING ON THE FEDERAL EMERGENCY MANAGEMENT AGENCY'S EMERGENCY FOOD SUPPLY SYSTEM

Friday, April 20, 2007,

HOUSE OF REPRESENTATIVES,
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC
BUILDINGS AND EMERGENCY MANAGEMENT,
Washington, DC.

The Subcommittee met, pursuant to call, at 9:00 a.m., in Room 2167, Rayburn House Office Building, the Honorable Eleanor Holmes Norton [Chair of the committee] presiding.

Ms. NORTON. Good morning. I am pleased to open this morning's hearing on FEMA's Emergency Food Supply System.

Our Subcommittee began what is intended to be a vigorous oversight agenda on FEMA and FEMA-related issues by working with the Democratic leadership and quickly passing out of Committee H.R. 1144, the Hurricanes Katrina and Rita Federal Match Relief Act of 2007, to provide significant relief for communities devastated by Hurricanes Katrina, Rita and Wilma, and focus on unaddressed concerns since these disasters.

An amended form of the legislation is included in the emergency supplemental appropriations that passed the House and the Senate and will go now to conference.

We also collaborated with the Committee on Financial Services on H.R. 1227, the Gulf Coast Hurricane Housing Recovery Act of 2007, to ensure that the legislation allows Louisiana to use its hazard mitigation program funds for its Road Home program. These protections were included in the legislation that passed the House last month.

Following our recent hearing on post-Katrina housing, our Subcommittee today holds another in a series of oversight hearings on FEMA issues. As part of this Subcommittee's jurisdiction over FEMA operations and programs, we are especially interested in and will conduct oversight on all aspects of the so-called "new" FEMA.

This morning we will focus on FEMA's distribution system, especially distribution of perishable items, an issue that was addressed in last summer's FEMA reform legislation. According to the recently-passed Post-Katrina Emergency Management Reform Act of 2006, FEMA is required to develop an "efficient, transparent and flexible logistics system." Yet recently, the press reported that \$70

million in food aid was lost or had to be distributed for unintended purposes due to a failure of logistics.

With negative press reports concerning the availability of trailers when they are needed and disposal of trailers that are stored, and now new food distribution and storage issues, it is fair to ask whether the new FEMA is any different from the old FEMA. The public witnessed the tragic breakdown of FEMA operations. And the public will not be convinced that there is anything new unless news accounts concerning problems in FEMA's operations cease.

In 2005, FEMA was soundly criticized for not anticipating what should be done, not doing enough and not doing it fast enough in response to Hurricane Katrina. In 2006, FEMA was pro-active in participation of what was predicted to be an active hurricane season. That did not occur.

Surely, however, professional emergency experts should have anticipated, even hoped that weather predictions would not be accurate. Any citizen who follows daily weather predictions knows that the nature of weather movements causes these reports to frequently miss the mark on a daily basis. Consultation with the National Oceanic and Atmospheric Administration, on which FEMA relies, would confirm the difficulty inherent in predicting an entire season of weather. Not preparing proved to be tragic.

Over-preparing, without sufficient plans for storage and timely and appropriate disposal of perishable supplies, wasting millions in taxpayers' funds, is unprofessional. We are distressed about what the problems highlighted by FEMA's emergency food supply system indicate about FEMA's entire logistics response system. There has been more than enough time and telling experience to expect that the new FEMA logistics system will be state of the art, anchored in comprehensive logistics and materials management expertise.

I am particularly interested in hearing from the Defense Logistics Agency regarding its distribution system, and about its partnership with FEMA, something one would have assumed would be automatic, given their experience.

Moreover, FEMA failed to accurately report the facts concerning the food supply systems failure, specifically a press statement in last Saturday's newspaper by a FEMA spokesman, who had to correct what he had said the day before. Specifically, he said, "In the process of standing up the new logistics directorate, some of the information was mis-handled and inappropriately directed to FEMA leadership," for whatever that means.

If the agency cannot effectively determine what kind of food was stockpiled last summer, or what it did with it, how can FEMA track and supply commodities in the middle of a hurricane? My fear is that this is symptomatic of a brain drain at FEMA, where experienced emergency managers have left and the morale of employees is reportedly at serious lows.

The Subcommittee has received a lengthy letter from the American Federation of Government Employees detailing troubling personnel hiring, morale and other issues. Replacements by well-intentioned people who nonetheless have little or no experience in emergency management only assures a redux of the old FEMA.

We welcome today's witnesses and look forward to a hearing that will add to the Committee's body of knowledge and that will enable

us to assist the agency, and the agency to help itself live up to its marketing as the new FEMA.

I would like to ask the Ranking Member, Mr. Graves, if he has an opening statement.

Mr. GRAVES. Thank you, Madam Chair, and thank you for holding this hearing on FEMA's logistics and commodity distribution system. I look forward to learning about FEMA's efforts to develop a 21st century logistics system that I see will dramatically reduce Government waste and improve disaster response.

I am a fiscal conservative. One of the many appalling aspects of the response to Hurricane Katrina was the tremendous waste and high prices that Government paid for supplies and services. The American taxpayer paid too much during Hurricane Katrina because the Government did not have the systems or contracts in place to manage a disaster of that scale. Instead, massive contracts were let in the middle of a crisis, and the American taxpayer paid dearly for supplies and services.

After Hurricane Katrina, the House conducted an exhaustive review of what went wrong with the Government's response to that terrible storm. One of the key findings was that FEMA lacked an effective logistics system for delivering critical commodities and equipment to the right place at the right time.

Once a truck entered into the disaster zone, FEMA had little idea where it was or when it would arrive at its final destination. As a result, there was significant waste and human suffering as critical supplies reached their destination late or they didn't reach at all.

During the 2006 hurricane season, FEMA's outdated logistics system once again cost the taxpayer too much money. In this case, FEMA's inability to procure and deliver large quantities of food in a fast and efficient manner compelled FEMA to stockpile roughly 30 million meals in hurricane-prone States.

When the National Hurricane Center's prediction of another record-breaking hurricane season failed to materialize, FEMA was forced to donate about \$70 million in food to Second Harvest before its shelf life expired. Fortunately, FEMA was able to put those meals to good use rather than discard them.

The potential savings from the 21st century logistics system are considerable. Improved asset visibility and just in time meal delivery will enable FEMA to scale back its inventories, save on storage costs and avoid expired commodities in the future. More importantly, a modern logistics system will enable FEMA to deliver critical supplies and equipment where and when they are needed, thus saving lives and reducing suffering.

There is an old Army saying that amateurs study tactics, but professionals study logistics. In many ways responding to a catastrophic disaster is like fighting a war, and logistics are the key to winning. I believe it is safe to say that our efforts to modernize FEMA's logistics are one of the top five priorities of the FEMA reform bill our Committee enacted last year. This Committee has had a long history with FEMA, and I want you to know that we want you to succeed. I do believe that. We are here to help you.

Again, I would like to thank the witnesses for coming in on short notice and for being here today, and I look forward to hearing the testimony.

Thank you, Madam Chair.

Ms. NORTON. Does any other member of the Subcommittee have a statement?

Mrs. CAPITO. No, I don't. I will just listen to the testimony and ask questions. Thank you.

Ms. NORTON. I understand that Mr. Paulison was invited to be a witness. I understand that he is the head of the agency, and I am pleased to have you, Mr. Johnson, here. You need to tell Mr. Paulison, and you need to report in some detail to Mr. Paulison concerning this hearing. I am sorry he could not be here. We felt we had to have this hearing, particularly after repeated reports concerning this question. Now our fear is that we are approaching a new season.

So I hope you are prepared to give the same kinds of assurances that I would expect from Mr. Paulison. We would like to hear first from Vice Admiral Harvey Johnson, who is the Deputy Administrator, and then we are pleased also to have Mr. Larry Glasco, who is the Deputy Director of Logistics Operations and Readiness of the Defense Logistics Agency.

Mr. Johnson.

TESTIMONY OF VICE ADMIRAL HARVEY JOHNSON, DEPUTY ADMINISTRATOR, FEDERAL EMERGENCY MANAGEMENT AGENCY; LARRY GLASCO, DEPUTY DIRECTOR, LOGISTICS OPERATIONS AND READINESS, DEFENSE LOGISTICS AGENCY

Admiral JOHNSON. Good morning, Madam Chairwoman and members of the Subcommittee. I am Harvey Johnson, I am the Deputy Director and Chief Operating Officer for the Department of Homeland Security's Federal Emergency Management Agency.

I am here today to address the concerns that have been raised about FEMA's ability to account for all the food commodities that it had on hand in preparation for the 2006 hurricane season. As well, I would like to describe for you the actions that FEMA is taking to improve our logistics management capabilities.

The forecast for the 2006 hurricane season produced very heavy activity: 13 to 16 named storms, 8 to 10 that strengthened into hurricanes, including 4 to 6 major hurricanes. With that forecast in mind, FEMA assessed its inventory, and after planning and coordination with 11 hurricane impact States, FEMA identified the need to procure additional meals to add to its existing foodstocks left over from the 2005 hurricane season.

Our combined foodstocks then consisted of pre-packaged meals, chiefly of two types, examples of which I have here today. The first type is a commercial shelf life stable meal, which is a pre-packaged meal that contains items you might find on your grocery store shelf. When properly stored, these meals have a shelf life of six to nine months.

The second type, meals ready to eat, MREs, typically contain a full meal, ready to eat, replete with entree, side dish and dessert. Depending on the storage conditions, these meals have a shelf life

of between 36 and 60 months. MREs come in both military commercial versions, and we buy each. The difference between the two primarily is the package is not as sturdy, and a commercial MRE is lower in calories. All of these meals are stored in a variety of FEMA-maintained and commercial storage facilities located throughout the ten FEMA regions in our Nation.

This sizeable inventory of disaster food supplies was strategically positioned for rapid and effective response during the hurricane season. We were ready to respond to four to six major hurricanes. Yet as nature gracefully played out in 2006, only one relatively minor storm, Hurricane Ernesto, made landfall. The forecast was incorrect.

Though thankful for a mild hurricane season, FEMA was left with an unusually large inventory of unused, unpackaged ready to eat meals. And like the milk in the refrigerator, each of these meals comes with an expiration date. In some cases, the date was such that the meals could last through the 2007 hurricane season. These meals have been put back into storage for use this coming summer.

However, nearly 13 million meals, valued at \$70 million, were very close to expiring. Those meals would not have lasted for another hurricane season.

At that point, FEMA had two choices. We could dispose of the meals, or we could find another use consistent with our initial purpose. FEMA donated these meals to Second Harvest, which is a community support organization that distributes food to those in need of assistance. With them, we have an established relationship just for this type of scenario.

While the Post considered these meals as lost, FEMA considers them as found, and that by our donation they found value as welcome food supplies for those in need. That said, there was one loss during the season that was preventable and regrettable, and that was the spoilage of some meals that were regrettably stored in overheated containers. I am truly sorry for this error in managing our inventory.

Yet even this incident reflects the challenge of planet against nature to maintain a mobile, ready and sufficient inventory of food and licensed commodities against 11 hurricane impact States from June through November.

The most important benefit we received from our experience in the 2006 hurricane season was four principal lessons learned. First, we will only stock MREs and will no longer stock commercial shelf life stable meals. While these meals are appropriate when purchased for immediate use, it is not a wise investment to stock them in anticipation of an uncertain forecast.

Second, there is value in an established partnership with DLA and other public and private sector logistics experts. Having a revolving stock of fresh MREs in a DLA warehouse demonstrates good value. FEMA need not carry the full cost of disaster logistics alone.

Third, it is important to have ready access to alternative food supplies. MREs are an excellent option for immediate response purpose. But at 3,000 calories per meal, they are better suited for 18 to 35 year old soldiers than for 8 to 85 year old disaster victims.

Fourth, we simply can't store perishable food supplies in a metal box exposed to the heat of the sun along the Gulf Coast. We must be more attentive to how we store our pre-positioned commodities.

As we plan for this upcoming hurricane season, we will apply these lessons learned in three specific ways. First, we are evaluating the forecast for the 2007 season, refining our models for food consumption. The University of Colorado, Dr. Gray, predicts a very active season, with 17 named storms, 9 hurricanes, including 5 major storms. We are starting out our season with 12.8 million meals, significantly less than the 31.5 million meals with which we began the 2006.

Second, we will expand on strategic partnerships with DLA and have a commercial contract available in the event that we need a short-term supply of alternatives to the MRE. Finally, we are going to take better care of our commodities. We will know where they are and how they are being stored every day and be better able to put them in the right place just as they are needed.

Madam Chairwoman, FEMA is building a 21st century logistics system that will be better managed by a new cadre of experienced leaders, better supported by technology, strengthened by strategic partnerships and reflective of additional resources that we have requested in the President's fiscal year 2008 budget. This is a logistics system that will gain your confidence and that of the American public.

With that, I would be pleased to answer any questions you may have.

Ms. NORTON. Thank you, Mr. Johnson.

Mr. Glasco.

Mr. GLASCO. Thank you, Madam Chairman, members of the Subcommittee. I am Larry Glasco, Deputy Director of Logistics Operations and Readiness at the Defense Logistics Agency, or DLA.

My purpose today is to talk to you about DLA, our relationship with FEMA and the food supply that we provide to FEMA. DLA's mission is to function as an integral element of the military logistics system of the Department of Defense and provide effective and efficient world-wide logistics support for the military departments and the combatant commanders under conditions of peace and war as well as other DOD components and federal agencies like FEMA.

DLA is responsible for the procurement, management, storage and distribution of some 5 million items that we manage. We provide food, fuel and medical items, as well as most of the clothing, construction materials and spare parts for worldwide support of this Country's land, sea and airborne platforms and weapons systems, and the forces that operate and sustain them. Our number one priority is logistics support to the American warfighter.

We also work increasingly closely with Northern Command, or NORTHCOM, and FEMA to provide the specific elements of relief and recovery support during natural and/or man-made disasters. In coordination with NORTHCOM, we are prepared to respond to DOD requests for logistics support; that is, for supplies and related services from other Federal agencies, such as FEMA. And when authorized by law from State and local government organizations, such as in response to the deadly hurricanes that ravaged the Gulf States.

DLA's support capabilities are reflected in domestic disaster plans. We are an active partner in disaster preparation exercises. With specific regard to FEMA, our relationship is defined by an inter-agency agreement signed in March, 2006, between FEMA and DLA, which outlines the items we manage and may provide to FEMA in preparation for, during and after domestic disasters.

Upon receipt of a funded requirement, DLA can provide FEMA with those items for which we are the material manager. These include basic human comfort items like clothing, food, water, medical supplies, tents, cots, generators, fuel, et cetera. DLA coordinates these requirements with FEMA headquarters, which then directs distribution of these items from DLA sources to the locations where FEMA determines they are required.

Following the joint signature of the inter-agency agreement in March 2006, as part of preparations for the hurricane seasons in 2006 and 2007, FEMA allocated approximately \$91 million for the following DLA-managed items: approximately \$60.7 million for subsistence items; approximately \$14 million for medical supplies; approximately \$7.3 million for clothing and textiles; and approximately \$9 million for construction and equipment items.

I will focus on the types of meals DLA has provided FEMA: military MREs, commercial shelf stable meals and commercial MREs. Probably the most familiar to you is the military MRE, which is used to support military requirements. DLA manages a wide variety of MRE entrees, and part of our management process is to rotate stock to ensure use before expiration date.

The next type of meal, the commercial shelf stable meal, is like a pre-assembled lunch. It is less costly than an MRE and has a shelf life of six to nine months when properly maintained. DLA provided the contractual vehicles for FEMA to obtain commercial shelf stable meals for Katrina support.

The third type of meal, the commercial MRE, was the commercial sector response to the civilian desire for MREs. The majority of commercial MREs will be assembled on demand by vendors and are not a DLA-stocked item. To ensure that we maximize their usability, they are ordered only when required and delivered directly from the vendor. We have contracts in place that allow a surge of requirements when needed. In the event of an emergency, FEMA's strategy is to start with the military MRE, then move to commercial MRE, since it has the same shelf life as a military MRE and similar nutritional value.

DLA has leveraged our capabilities to help support FEMA's mission. For example, today, we have increased our MRE stock on hand to make MREs available to FEMA subject to DOD mission priorities and subject to our normal stock rotation program. The commercial MREs are another example of how we worked together to develop a solution and put surge contracts in place to meet emergency requirements.

We are continually working with FEMA to help plan their support. Earlier I mentioned the interactions we have in planning the disaster support exercises. We also meet with FEMA every other week on phone conferences, and have a senior level customer account representative assigned to the Department of Homeland Se-

curity to ensure we have planned and prepared for any contingency.

In conclusion, DLA has a well-defined role to play in assisting FEMA in preparing for and responding to contingency situations. I believe that our work together has resulted in a strong partnership, better logistics support of disaster relief, and ever-improving stewardship of related resources for the American taxpayer.

This concludes my statement. I would be happy to answer any questions you or the other members of the Committee may have.

Ms. NORTON. Thank you very much, Mr. Glasco.

Did you advise, or did the DLA advise FEMA with respect to the foods it stored for the last hurricane season?

Mr. GLASCO. No, ma'am. What we did is, working with FEMA for the 2005 hurricane season, when there was a potential that we would——

Ms. NORTON. I am talking about 2006. This is when the food was pulled. I am asking whether or not you worked with FEMA during that hurricane season or advised them in any way concerning the distribution and storage and acquisition of food.

Mr. GLASCO. For 2006, our primary interaction with FEMA was associated with MREs and commercial MREs, not with the commercial shelf stable meals.

Ms. NORTON. Mr. Johnson, you do not deal with commercial shelf meals?

Admiral JOHNSON. We do, Madam Chairwoman, but the commercial shelf life stable meals were acquired for us in 2005, and initially to respond to Katrina, Wilma and Rita support. Then those were retained by FEMA for the upcoming 2006 hurricane season.

Ms. NORTON. So you speak of a partnership. I am just trying to establish when a partnership began, given that there was some lost food, and that DLA has considerably more experience that it could share with FEMA and other agencies.

Mr. GLASCO. The partnership officially was established in March 2006, when we signed the inter-agency agreement between FEMA and DLA.

Ms. NORTON. So did that agreement take into account the supplies that FEMA brought, both commercial supplies, MREs, did they ask for your advice on all of the supplies, and did you offer such advice? Who approached who to get this partnership going? Did you approach FEMA or did FEMA approach you?

Mr. GLASCO. We approached FEMA in November of 2005 to get the partnership underway.

Ms. NORTON. So by the time of the hurricane season, there was a partnership? You have the, well, let me put it this way. FEMA appears to have acted like a start-up agency here. It made decisions that one would not expect of an experienced agency, or at least an agency with experienced personnel. So I am trying to find out, since DLA has some experience around the world, what kind of relationship exists, if in fact it existed at the time that the foods and types of foods were purchased. Whose expertise are you relying on, Mr. Johnson?

Admiral JOHNSON. Madam Chairwoman, perhaps let me try a description and see if it answers your question. Prior to Katrina, where FEMA responded to relatively small disasters, we were able

to manage our requirement and our inventory and the system flowed and it seemed to work okay.

Post-Katrina, when the requirement was significantly increased, it got a little bit out of our comfort zone. For example, in the middle of the 2005 hurricane season, as you recall, in the 2005 hurricane season, we went beyond the alphabet. We went beyond Wilma, went to Alpha Alpha, Bravo Bravo, Charlie Charlie, and it was a huge hurricane season.

In August of that season, NOAA increased their forecast for storms. FEMA was nervous about not having enough supplies. We went to DLA, and at that time DLA was supporting a large effort and could not give MREs, could not sell MREs because they were at their war limit. So we bought these commercial shelf life meals. We knew they had a short shelf life, but this was, with five to seven storms continued for that hurricane season. As it turned out, Wilma required very few MREs.

Ms. NORTON. In other words, you bought enough food for the entire season at one time?

Admiral JOHNSON. We bought enough food for what we thought was going to be an extended 2005 season.

Ms. NORTON. Why did you buy food for the entire season, rather than, for example, at full term contracts? When you might have brought in some food, based on weather reports, buying food which had shelf life for the entire season would seem not only unnecessarily but predictably wasteful.

Admiral JOHNSON. We did not buy for the whole season. We bought what we thought was required for the rest of the season. When DLA watched what FEMA was doing, the decision made at the time I think was a good decision. But from that point on, from September on, it did not, even the changed forecast did not turn out to hold true. But we bought supplies for the rest of the season, not for an entire season.

Ms. NORTON. Whether it is the rest of it, or what are you calling the rest of the season? How many months?

Admiral JOHNSON. In September, the season runs through November. So we still had September, October, November to go, three months to go.

Ms. NORTON. What I am trying to do is see if you have a "logistics" system or whether or not you simply buy because you think you might be caught without enough food. I could do that. The real expertise is, of course, in calculating what is needed or, as the old folks say, ask somebody. If you don't have the expertise in the agency in trying to find out, since this relationship existed, and since they have the experience.

Admiral JOHNSON. Well, Madam Chairwoman——

Ms. NORTON. Well, let me ask Mr. Glasco. Would your agency rely on short-term contracts sometimes and longer term contracts at others?

Mr. GLASCO. Yes, Madam Chairwoman, we would.

Ms. NORTON. It does seem to me, I am speaking with no expertise, that yes, you want to be able to have enough food. You also know, if you are an expert, that hurricanes don't happen simultaneously at the same time. You could get a big one. If there is a big one, like Katrina, for example, let me give you the worst case sce-

nario. Couldn't food be flown in and distributed as easily as if it was in a place certain from which it also had to be distributed?

Admiral JOHNSON. Madam Chairman, during the 2005 hurricane season, the impact of hurricanes was in fact simultaneous. The hurricanes came with frequency. We were responding in one community while a second community was being hit by a hurricane. So we felt, at the middle of the 2005 hurricane season, when they changed forecasts, that good decisions were made. At that point, our relationship with DLA was primarily one of a purchaser and a seller. DLA recognized the track that FEMA was on and came to us and offered their expertise. As Mr. Glasco mentioned, that led to a memorandum of agreement in March of 2006, and we are seeing the benefit of that agreement as we proceed now into the hurricane season for 2007.

Last year, we began the season with 31 million meals in storage. This year, we begin the season with 12.8 million. Had we followed old FEMA practices, we would have spent another \$70 million perhaps buying meals. Now with our new practices and our partnership with DLA, we rely on DLA's storage. We have saved funds we would have spent in older practices.

So I believe we are demonstrating the partnership and the experience that you referred to.

Ms. NORTON. You are all in the same Government. It is of some interest to me that DLA was used as, the way you would use a commercial enterprise, to get food, rather than to, at the same time, use their expertise. We are very confused, frankly, by the stories in the paper.

Last Saturday, that was April 14th, there was a headline, FEMA doubles the estimate of lost meals to 13 million. And the logistics director, Eric Smith, is quoted as saying "We don't have the rated facilities, management structure or the know-how to make sure that the meals and products that we buy are adequately managed to later meet approved standards for consumption." That is a very, very chilling thing to read in the newspaper. Don't have the rated facilities or management structure or know-how.

Is that the current state of affairs, and if so, when was that understood? And was the Secretary informed?

Admiral JOHNSON. Madam Chairwoman, that statement reflected in the paper last Saturday was an act or an assessment of where FEMA has been. In the months that——

Ms. NORTON. He says, we don't have. He didn't say, we didn't have.

Admiral JOHNSON. That was an accurate reflection, and I think the context of that article was how did we get where we are. That statement reflects how we got where we are.

Ms. NORTON. He says, we don't have the rated facility. Do you have the rated facilities, management structure or know-how now?

Admiral JOHNSON. Part of what you allowed us to do in the legislation in 2006 was a chance to restructure FEMA. Eric Smith, who stands with me to assist me today, he made that statement, I think on his 15th day at FEMA. Eric Smith represents where we are going in new FEMA in logistics. He comes from DLA background and more than 25 years of experience in logistics. FEMA has never had a director of logistics with that degree of capability.

Ms. NORTON. I tell you what. I think you probably had somebody who had some expertise who came in and just told the truth. I don't think you can take the "we don't have." Let me ask you, how much food was spoiled? How much food specifically was spoiled?

Admiral JOHNSON. It was about——

Ms. NORTON. And what amount of money?

Admiral JOHNSON. Two point two million dollars worth of food was spoiled because we stored it in containers at a temperature that accelerated the decrease in shelf life. We had to take \$2.2 million worth of food and basically dispose of it, because it had been held in containers that were not stored with shelter or temperature control devices.

Ms. NORTON. I am going to go to the Ranking Member. Where was that food held?

Admiral JOHNSON. It was stored along the Gulf Coast, primarily I believe in Selma, Alabama.

Ms. NORTON. In facilities managed by whom?

Admiral JOHNSON. Managed by FEMA. They were in FEMA's custody. We pre-position, every hurricane season we meet with States and meet the requirements. We pre-position——

Ms. NORTON. Did the managers of that facility understand what the shelf life was of the food?

Admiral JOHNSON. We have certainly learned that lesson, Madam Chairwoman.

Ms. NORTON. Mr. Graves.

Mr. GRAVES. With respect to the 2006 season, I think you guys had a tough call. You had two options. You either stockpiled food or you crossed your fingers and you don't stockpile food, cross your fingers and hoped that nothing happens. I am in the food business. I am a farmer, my family has been farming for six generations. One of the things that makes this Nation great is, we have the safest, most affordable and most abundant food supply in the world. All you have to do is look at export numbers to see that we feed the world. The United States feeds the world.

We have a system today that, if there is a disaster anywhere around the world, whether it is a tsunami in southeast Asia or it is a war in Afghanistan and Iraq, we dump millions of these things, whether it is MREs or whatever the case may be, all over those countries, and we flood them. Those countries have no system whatsoever. And food has a shelf life. We waste millions of dollars of food in this Country in our schools every single year. For heaven's sake, in my refrigerator, I have stuff in there that used to be milk, and now it is cottage cheese. We waste food in this Country because we can take it for granted. We take our food supply for granted.

So now, let's move on. I don't think that excuse the fact that we wasted some food, pre-positioning food and it is unfortunate, again, that that food supply goes to waste. But again, I don't know how you make any other decision. We know what would have happened had a disaster taken place and there wouldn't have been any food.

You went to these folks, you all didn't have the MREs available at the time, because you are at war, war supplies. So you have to make a decision. So let's move on. Let's see what we are going to do in the future. You all are implementing the system.

What I want to know, in your new logistics system, are you preparing right now for something, because obviously the hurricanes are the biggest disasters we have had. I think it is the largest natural disaster, at least Katrina was, that we have ever had in this Country. Is your logistics system, is it just going to focus on those areas, or are you also looking at the rest of the Country? I live in Missouri. Obviously everybody is concerned about the New Madrid earthquake that could possibly happen and the amount of damage and disaster that that is going to be. We obviously have problems in California. We know we have problems here and there.

Are you setting this up now, or are you just trying to concentrate on the Gulf Coast at the moment so you can get it in place? I am just looking at how you are going to set this thing up and if you are going to be prepared for other areas.

Admiral JOHNSON. Thank you for your question, sir. We are preparing disaster response preparedness, not just hurricane preparedness. We are doing that in partnership with DLA.

As Mr. Glasco mentioned, we signed an IAA in March of 2006. We continue to expand that relationship, not in commodities, but in leadership and business practices and in uses of models and to help us prepare better. What we are doing right now, for example, we developed a total asset visibility system, where with our trailers, we put transponders aboard those trailers. Now we can track supplies as they move across the Country toward a disaster site. We now have an electronic management system for our warehouses that we did not have two years ago that helps us make sure we know what is in our warehouse and how old it is, and make sure we can rotate our own stocks and supplies through. A lot of that system was designed by working with DLA.

We have a management system that allows us a single point or place to order. That gives us order visibility and order management that FEMA did not have two years ago. All that technology will help us now manage a supply less than half of entering last year, because of becoming more efficient. We work with States to develop pre-positioned supplies and requirements, thinking about New Madrid fault and how would we respond to those events.

So we are bringing people on, like Eric Smith and others, who can bring that expertise to FEMA, leveraged with our strategic partners, we will do a much better job of planning for those eventualities, and to be more efficient and effective in our supply system. Sharing the burden with DLA and others, not trying to do it all ourselves.

Mr. GRAVES. Do you have enough personnel to do that, or are you going to bring on, are you going to have to expand your personnel? Are you going to be able to do this? You may even be at a position where you are going to be able to reduce.

Admiral JOHNSON. I liked the term that you said. You said preparing. That gets back to Madam Chairwoman's point in that FEMA logistics system is not as robust as it needs to be. When you look at the President's request for fiscal year 2008, one specific line item in FEMA's vision is to expand to have a disaster logistics core competency. That requires additional investment.

We are asking the Congress to support us this year to invest in more people and funds that will allow us to buy the kind of mod-

eling and technological systems that can help us track and be more effective in managing our inventory.

Mr. GRAVES. Thank you, Madam Chairwoman.

Ms. NORTON. Thank you, Mr. Graves.

Mrs. Capito.

Mrs. CAPITO. Thank you, Madam Chair.

Thank you, Mr. Johnson and Mr. Glasco, for coming today. If you could take me back to 2005, Katrina, what was the extent of the meal shortage? I am interested in the water supply, too, because there was a lot of post-Katrina reports about that. Could you give me a status of your assessment after Katrina in terms of the meals and the food supply?

Admiral JOHNSON. During Katrina, we used all of FEMA's supplies of MREs. We were able to draw on DLA during Katrina. In a disaster, we have an ability to do a mission assignment. So we can mission assign other agencies to support us and to meet the requirements that exist in the disaster. So we were able to call on others to help us meet that requirements post-Katrina.

But in that hurricane season, that drove us, midway through the season, to think that we really needed more. We did not want to be caught short again. We were scrambling during Katrina itself. That caused us to buy these short shelf life meals.

Mrs. CAPITO. But you were caught short in Katrina or not?

Admiral JOHNSON. We used all of the supplies we had. So we were concerned about that. At that time, by circumstances, when we asked for MREs, we couldn't buy MREs with a longer shelf life, because they were at a war reserve limit, and we were forced to buy this meal. It had a short shelf life and we know that, but we also had an updated forecast, thinking more hurricanes would occur in 2005. When those did not occur, then we did have 13 million of these meals that were going to expire within nine months.

That is how we entered the 2006 hurricane season, with that leftover inventory. And that was a very, very light season, and we didn't get a chance to use these. If we had had a hurricane, we would have been heroes. We would have responded with these and you would have been thanking us for that. But since there was no hurricane, we were caught short by a decision we made the prior year. That left us with a choice of disposing of them or donating them. That caused us to donate these to Second Harvest.

Mrs. CAPITO. Thank you. I think it is a huge step in the right direction, the partnership that you have now with DLA and certain other partnerships that you have.

In terms of the spoilage of the \$2.2 million food that was thrown out, that is bad. I think all of us recognize that was a huge mistake. Hopefully that mistake won't be made again.

I feel a little bit sympathetic toward FEMA and anybody who has to react to a disaster, when you have to rely on the weather predictions. We do this every week, flying back and forth, is it going to snow, is it going to storm. Sometimes it does what it says and sometimes it just doesn't. And I think certainly after what happened in 2005, an over-preparedness state of mind had to exist in FEMA and every single other emergency agency, State, Federal and local.

So I think that hopefully lessons learned, big lessons and expensive lessons learned. I would also like to say in a positive sense that reacting and making sure that your overage in food went to Second Harvest, went to food banks across the Country, I am sure that it is an established relationship that you have, very smart. Also, they have a lot of expertise, obviously, with storing and maintaining food for long periods of time. If you have ever been to a food bank, I am sure you have, they are enormous facilities. So I think those relationships hopefully will be maintained and ongoing. Because we are going to run into this again.

One last question. While FEMA is managing food supply, and I want to hear the water answer, because I probably cut you off on that. While you are managing the food supply and other things, you are also managing a lot of other things at the same time. Hopefully with this logistics expertise that you now have, you will be able to focus in more specifically on these particular areas. If you could address the water situation and how you handle that, I know it doesn't have the shelf life issue. But it certainly does in terms of maintaining the hydration and health of those who are afflicted in a disaster.

Admiral JOHNSON. I don't think that we have had a problem in water. I will check and get back to you if we have. The good thing in water is we have, and I don't have the numbers for you, the volume of water that we have, it is significant. And it doesn't have the shelf life issue and it doesn't have the storage concerns, the same as MREs. It doesn't spoil. So we haven't seen a problem with that.

But I will inquire further and provide information to your staff.

Mrs. CAPITO. Mr. Glasco, let me ask you a question. Is DLA under the Department of Defense?

Mr. GLASCO. Yes, it is.

Mrs. CAPITO. Where are you located?

Mr. GLASCO. Fort Belvoir.

Mrs. CAPITO. All right. That is a big job you have. Thanks.

Ms. NORTON. Thank you, Mrs. Capito.

Mr. Dent?

Mr. DENT. Thank you, Madam Chair.

Mr. Glasco, my question for you is, how does the DLA, how are you able to provide FEMA with a continuous inventory of fresh meals for disaster victims? How does that work?

Mr. GLASCO. Out of the lessons learned from the 2005-2006 season, we have an agreement with FEMA. Well, first off, we maintain an MRE inventory of approximately 60 million meals located throughout the Country and the world. FEMA has bought access to 3 million meals out of that 60 million meals.

What we are able to do with a volume of meals like that is, as we support the military with MREs, we are able to rotate out food to the military as they consume it, and maintain a fairly robust shelf life capability within that 60 million meal inventory. We purchase about 300,000 cases of MREs per month. Based on recent consumption averages, this is what the Military consumes on a monthly basis.

Mr. DENT. How much is that?

Mr. GLASCO. Twelve per case. So 300,000 cases. So what that allows us to do is, as we acquire new MREs, we pull those into inventory, and we move other MREs out of the services for the consumption. You keep a fairly fresh stock of MREs available. And those are the ones that are available, out of that 60 million plus that are available to FEMA at any given time, if they call for them.

Mr. DENT. When you say a fresh stock, typically how long does an MRE stay on your shelves?

Mr. GLASCO. I would say probably about six months, as we rotate them in and out and receive new ones and issue out new ones to the military.

(Subsequent to the hearing, Mr. Glasco revised the above six months to eighteen months).

Mr. DENT. I have had MREs, but how long can one sit on a shelf, conceivably, if it is stored properly?

Mr. GLASCO. If it is stored properly, and properly is 80 degrees Fahrenheit, they can sit on the shelf for three years. And they are extendable, if inspected, and can be extended beyond that if they are stored in environments that are even more cold than 80 degrees.

Mr. DENT. So three years under good circumstances?

Mr. GLASCO. Yes, sir.

Mr. DENT. And if it's not under good circumstances, considerably less time?

Mr. GLASCO. Yes, sir.

Mr. DENT. What other services is DLA providing to FEMA currently, beyond MREs?

Mr. GLASCO. We have worked with FEMA to put fuel contracts in place in two of their regions to provide bulk fuel support, if required. We have in the 2006 season provided medical items to outfit their caches. We have provided some minimum repair parts capability. But the primary support from us has been in the area of food, the MREs. We do, at FEMA's request, will send individuals over to work with them in advance of contingencies or disasters.

Mr. DENT. So maybe you answered the question I am about to ask. But if we were to have another disaster similar to Katrina, what types of services are you prepared to provide to FEMA?

Mr. GLASCO. In the food world, we are prepared to provide them access to the 3 million MREs that they have paid for. Should they make more funds available, they can have access to additional MREs, if they choose to. Mr. Johnson talked about transition from MREs to commercial MREs. We have vehicles in place that allow us to surge and begin acquiring commercial MREs for FEMA as well if they desire those.

Beyond those, if it is determined that there is a need for shelf stable type meals for immediate consumption, we have 18 vendors standing by, ready to surge and be able to produce in 7 days and be able to provide shelf stable meals as well. Likewise, should FEMA desire medical item support from DLA, we have contracts in place that provide access to medicine and surgical types of equipment. That is available to FEMA to access should they choose to do that.

Likewise, as I mentioned, we have two fuel contracts in place, and we are working to put others in place. But we have two in the

southeast and the Gulf area, two contracts in place to provide bulk fuel support.

We also operate something that we refer to as the Defense Re-utilization and Marketing System. On occasion, and this is just a matter of timing, we may have items that are being considered for re-use within the Department of Defense, for example, generators. If they are available at the time that a contingency occurs, FEMA has access to that as well.

Mr. DENT. So fuel, generators, food and medical supplies?

Mr. GLASCO. And some repair parts if they choose to.

Mr. DENT. Thank you, Madam Chair. I yield back.

Ms. NORTON. Thank you, Mr. Dent.

Did I understand, Mr. Glasco, you to say that you now have a contract not only for food, for the MREs, but for medical supplies, generators? Would you tell me what else FEMA is already contracted to get from DLA?

Mr. GLASCO. Madam Chairwoman, as I indicated, food items for sure, bulk petroleum and——

Ms. NORTON. How about medical supplies?

Mr. GLASCO. Medical supplies. We have contracts in place to support the Department of Defense, and FEMA can access those when they need to.

Ms. NORTON. So FEMA, do you intend, do you now use this supply system or do you use another system for medical supplies or the other items that Mr. Glasco spoke of?

Admiral JOHNSON. Madam Chairwoman, our primary source of supply is through DLA. Through the interagency agreement that we signed in March, we have access to all the items that Mr. Glasco has mentioned.

We also have separate contracts with private sector suppliers. So we have a lot of flexibility. But we primarily use DLA for those supplies.

Ms. NORTON. Did you already have those contracts for commercial food that was brought when DLA could not supply MREs?

Admiral JOHNSON. We did. We had some contracts, but what we have now I think are stronger partnership with DLA and a better sense of those contracts, of which ones are of greater provenance with DLA versus the private sector. So while you focused on the commodities that we get from DLA, as Mr. Glasco mentions, they send people to work on our staff to help us in framing where we are going in our new logistics.

Ms. NORTON. As you can see from my questions, I have greater confidence in DLA, at least at this time, than I do in FEMA. Therefore I am interested in the partnership and in as much relationship as possible. For example, I think that in buying supplies from DLA, you probably get them for a better price than if, because they buy in even larger bulk than if you went to a private contractor. Is that true?

Admiral JOHNSON. That is not completely true. In the commercial meal, we have a relationship with the same supplier that supplies——

Ms. NORTON. Well, wait a minute. Do you do commercial meals?

Mr. GLASCO. We have that ability. The commercial meals that we have talked about for the 2005 season, DLA contracting vehicle was provided or used to acquire those.

Ms. NORTON. And the private sector can do better, you can do better with contracts on your own with for DLA for the commercial meals?

Admiral JOHNSON. In some cases, we can. Because we are not the only purchaser of those meals, either. So there is a large market for those. And in a relationship, again, we approach this in partnership with DLA, even discussing these issues, what we should buy from them, what we should not. So we have other contracts available.

Ms. NORTON. That is very important, because again, they ought to know.

What about an even more perishable item, like ice? That was a big issue in Katrina.

Admiral JOHNSON. We are currently on the street now with a competitive bid, seeking a supplier of ice. Our primary partner in ice is the Corps of Engineers. They currently have a contract that can provide a volume of ice just about anywhere we need in the Nation within 24 hours. So we are relying on Corps of Engineers as our primary partner for ice, then we are competing a contract now for a direct relationship with a vendor.

Ms. NORTON. Have you gotten any advice from GSA, which has an extensive distribution system as well?

Admiral JOHNSON. We work extensively with GSA over a far, broad range of issues, from transportation items to all sorts of supplies.

Ms. NORTON. I am talking about logistics and distribution.

Admiral JOHNSON. We do not, I don't believe we use their distribution system.

Ms. NORTON. I am not suggesting that. I am only suggesting that the agency obviously needs outside help, and that that outside help is probably available within the Federal Government itself. That is all I am suggesting. There are large agencies that have been doing this for some time, well, FEMA has been doing it for some time.

Admiral JOHNSON. We seek their advice. The GSA also is a strong partner with FEMA.

Ms. NORTON. I am asking you, Mr. Johnson, to provide the Committee with information regarding contracts for distribution of items after a disaster, beyond any that are beyond DLA. We would like to know the name of the vendor, the quantity, the value of the contract, its terms and conditions. And we will assume they are competitive contracts in keeping with existing law.

In what amount, in what amount, a number of meals thankfully went to people who needed them and you have had that relationship for some time. How many millions of dollars of meals went to Second Harvest?

Admiral JOHNSON. It was about 13 million meals, valued at \$70 million, was the donation we made to Second Harvest.

Ms. NORTON. As pleased as I am to see these meals go to people who need them, the notion of spending so much money in this way was not what the taxpayers intended, here. I don't agree with my good friend to my left, who operates as a farmer and knows how

the weather is and sometimes it is too much and too little. Nobody can tell you what farmers can. Sometimes there is a drought, sometimes there is no season.

The difference is, it seems to me, that you don't grow anything. We depend upon you for expertise. And therefore, unlike a too much/too little in the ordinary course of events, one would not expect, frankly, over-supply. That would bother me. That would bother me tremendously if we said, look, taxpayers, you saw what happened in Katrina, you don't want that again. Tell you what, we are going to buy more food than you can shake a stick at, so there.

The point is that there are, the alternatives are not too much or too little if there are professionals who are guiding the agency when it comes to logistics. So what I am interested in is this new system, and here I am using your jargon, total asset visibility, where the private sector also will play a role, or has played a role in developing something called the total asset visibility. I hate Government jargon. Nobody knows what it means, even people in the Government.

But I believe that that is an important, those are important words, and are related to this issue. So would you please explain to the Subcommittee what role the private sector would play, now knowing that you have a good relationship with DLA in developing this so-called total asset visibility program?

Admiral JOHNSON. The good news, Madam Chairwoman, is that is not a Government, bureaucratic term. That is a term of art within logistics systems as well as supply chain management and those concepts we are bringing into FEMA. So for example, in total asset visibility, what that means to us is you want to have visibility of your asset end to end, you want to know what you have, where you have it, where it is and how quickly it is getting to the site that you need it.

Ms. NORTON. Who is developing that?

Admiral JOHNSON. We have outside business consultants who have helped us develop the system. We have taken advice from a range of all the companies that deal in logistics, draw them from best practices and even the practices with DLA to help develop this system.

Ms. NORTON. So you have a business consultant working with you now on knowing what asset, where your assets are? And what you need?

Admiral JOHNSON. Yes, ma'am, we do. And when we provide this list of contracts to you, we will identify a number of companies who we have contracted services who are helping us to develop this system.

Ms. NORTON. Did FEMA offer any of these meals to Government agencies before offering them to Second Harvest?

Admiral JOHNSON. We have an MOU with Second Harvest, and the MOU was developed in part to respond to this type of scenario. So rather than go out to other Government agencies, we followed through with the MOU that we have.

Ms. NORTON. I am sorry, you have an existing contract with?

Admiral JOHNSON. With Second Harvest.

Ms. NORTON. So how was Second Harvest chosen? What about schools? What about hospitals? I don't even know the food is fit for

these institutions, but normally we would look for, if we are dealing with Government funds, we would look to Government operations to see if any of these——

Admiral JOHNSON. In large part, one of the reasons for Second Harvest is they are a large organization. They will actually come and pick up the supplies. We are talking about 900,000 meals. They come in truckloads. So it would be very difficult to distribute truckloads of meals to individual schools. Second Harvest really is a very efficient community service organization to handle that volume of donated meals.

Ms. NORTON. What other areas of logistics concern have you at FEMA identified?

Admiral JOHNSON. We have a wide range of logistics concerns in FEMA. As we develop the 21st century logistics system, not only will it address commodities, but it also will address our housing, how many short-term houses in terms of travel trailers and mobile homes should we have and how should we distribute those housing units. So that is another large part of logistics, is dealing with our housing program.

Ms. NORTON. Mr. Johnson, we had a hearing on the distribution of trailers. I am asking this question, because we wanted the agency to work, to work with the recreational vehicle association. Our concern was the logistics on trailers seemed to be heartbreaking, because on the one hand, they are stored, and on the other hand, there are people who need trailers. Some of those who needed trailers turned out not to be located in the kind of disaster area that FEMA services. Complicated questions, if you want to deal with logistics, got raised because I said to staff I wanted to have the industry brought in. And what was most enlightening was to hear the industry speak about what dumping these trailers would do to particular small jurisdictions where the only industry may be the trailer industry. Because in smaller towns, people actually live in these trailers.

What can you tell us about any progress you have made on the distribution of those trailers or allowing access to, I am sorry, disposal of trailers or allowing access to trailers to people who might need them, like the Governor of Utah, who was prepared to buy some of them until somebody threw some regulation in his face which again, some spokesman found, well, after all, maybe we can supply some trailers after the fact and after it hit the newspaper that they had in fact refused the trailers in the first place? I am trying to figure out what would happen now, if, for example, the Governor of another State tomorrow came forward and said, we are not a FEMA area, but we do have a dozen people who need trailers and we are prepared to buy them, what would happen, Mr. Johnson, in that case today?

Admiral JOHNSON. Madam Chairwoman, as you know, FEMA can provide trailers when the president declares a disaster and there is a requirement for temporary housing. Recently, there has been a number of disasters, tornadoes and other disasters——

Ms. NORTON. I am talking about new and used trailers already in your storage.

Admiral JOHNSON. I am trying to draw the distinction. You mentioned areas that FEMA does not cover. Well, there are no areas in the Nation FEMA does not cover, but yet there are events——

Ms. NORTON. They are not designated as a disaster area, sir.

Admiral JOHNSON. Yes, so in——

Ms. NORTON. Therefore, in Arkansas, we found people that didn't have access to your services, because there is a certain amount of damage you have to have before you call on the Government.

Admiral JOHNSON. The most recent example is Colorado. About three weeks ago, they had weather in Colorado that devastated several small towns, yet they did not qualify for a presidential declaration. The State asked FEMA to provide trailers, and they acknowledged that they would pay the cost of transporting those trailers. We met the requirement, we provided more than 50 trailers. They were very satisfied with the quality of those trailers. They actually picked them up at Hope, Arkansas, at our storage facility, transported them to Colorado. Then they own them, they provide them to their citizens, they installed them and it worked out to be a very agreeable——

Ms. NORTON. Mr. Johnson, that is interesting and I am very pleased to hear that. Has FEMA issued any notice to governors? You have all these trailers stored. Some of them you may well need, and I am sure somebody at FEMA knows how much you ought to have. But has anybody at FEMA, since you made them readily available in Colorado, made the calculation as to how many of these trailers might be made available to Governors or others who are public officials? I mean, I ask this question the same way I ask the question about does the food get offered to Government agencies first. This suggests that there may be some people, or sorry, some jurisdictions willing to take any excess trailers off your hands who are public officials, in States and counties around the Country, if they knew that was available.

Are there trailers that you think might be sufficiently in excess of what you need that that might be appropriate?

Admiral JOHNSON. Madam Chairwoman, we owe your staff and will comply shortly, we owe a briefing on our trailer disposal policy. We are in the process of finalizing a rewrite of our policy that reflects now provisions that were contained in the Post-Katrina Reform Act. So we will provide that to your staff shortly.

Just in quick order, for a new travel trailer or mobile home, one of the pieces of legislation required that we first offer them to tribal organizations before they are made available to anyone else.

Ms. NORTON. Have you done that?

Admiral JOHNSON. We have not done that yet. We are working with the Department of Interior and the Bureau of Indian Affairs to finalize our——

Ms. NORTON. I mean, you have had these trailers ever since Katrina. Tribal organizations would be among those, because they live often in rural areas. They might well by this time have taken those off of FEMA's hands.

Admiral JOHNSON. We are working, given the legislation that passed in October, we are about to finalize and brief your staff on how we will implement that legislation.

Ms. NORTON. What legislation?

Admiral JOHNSON. The Post-Katrina Reform Act.

Ms. NORTON. Yes, you think the legislation, it is only pursuant to that legislation that you can offer these trailers?

Admiral JOHNSON. That legislation gave us new restrictions or new guidance into how we should dispose of trailers. So given the legislation, we are now writing the policy of how we will implement that legislation.

Ms. NORTON. Okay, tribal organizations. Did it also mention State and county organizations?

Admiral JOHNSON. It did not mention specifically those, no, ma'am. But as we now prioritize and provide an avenue to both new trailers that are in excess of our required inventory, and access for used trailers, then those will likely be available for State and local——

Ms. NORTON. You would think that the legislation does authorize that.

Admiral JOHNSON. It does.

Ms. NORTON. I think that, so, how many trailers exist now in your supply, among your assets, that are in excess of those you think you might need?

Admiral JOHNSON. I think, well, we look at our trailer population in three groups. We have those that are in use now, of which there are more than 84,000 being used in communities around the Country, primarily——

Ms. NORTON. I want to discount those. I am only interested in those being stored at Government expense.

Admiral JOHNSON. We think there may be as many as 20,000 new units, I am sorry, about 9,000 new units, perhaps 20,000 overall, some used, that can be made available to other organizations. We will pursue, as I mentioned before——

Ms. NORTON. How much does it cost to store those trailers at this time?

Admiral JOHNSON. I don't recall the number off——

Ms. NORTON. I would like that figure. We would like those trailers moved if you think you don't need them, as soon as possible.

Admiral JOHNSON. Yes, ma'am.

Ms. NORTON. Government regulations take time. But to the extent that taking time on a Government regulation is costing taxpayers money, that ought to be given priority. Those trailers have been a scandal, just sitting there. They weren't made available. There needs to be notice, as soon as the regulations are done, I ask that you brief the staff within one week. As soon as the regulations are done, it seems to me that the first thing we ought to do, that the FEMA ought to do, is issue a notice saying, for sale, as it were, there are trailers here. But you have to come get them. People would be glad to do that. And the taxpayers wouldn't be paying a storage expense for trailers that can be used probably in almost every State.

Go ahead.

Admiral JOHNSON. Yes, ma'am. You make very good points. Believe me, the States are very well aware of the opportunity to come to FEMA. We use the National Emergency Management Association, which has all the emergency management of the 50 States and territories——

Ms. NORTON. Mr. Johnson, the States did come to FEMA in Arkansas and were turned down. That was after the legislation was passed. So I am asking you not to depend upon the "relationship" you have with States. If there are some trailers for sale, let people know it.

Admiral JOHNSON. Yes, ma'am.

Ms. NORTON. And please let them know it as soon as possible, to get that off of our budget.

Admiral JOHNSON. We will work very hard in that direction.

Ms. NORTON. Thank you very much.

I want to say that, while both of you are here, in a real sense, the closest relationship FEMA can get, not only for what appears to have been the former relationship, which is buyer-purchaser, but purchaser of experience and advice, the more confidence we will have as you set up a new system using this visibility whatever jargon is used.

Mr. Glasco, are you consulting with Mr. Glasco as this system is set up, this system I just asked you about called the total asset visibility? Do you have that system?

Mr. GLASCO. What we use for products that FEMA acquires from us is a Department of Defense system called Defense Satellite Tracking System. The acronym is DSTS. What it allows us to do is when items are transported from a DLA facility or from a vendor who supports DLA, we contract the movement of that until we exchange custody with FEMA. And we can track and tell them where the items are on the highway as they move to their destinations designated by FEMA.

Ms. NORTON. What other agencies does DLA have contracts or relationships with besides FEMA? I mean agencies outside FEMA?

Mr. GLASCO. GSA, we work very well with GSA. For example, GSA uses a warehouse complex in Kuwait that we operate. They previously had not availed themselves of that capability. They use this warehouse we have in Kuwait. I would say probably that the two larger organizations that we work with are FEMA and GSA, outside of DOD.

Ms. NORTON. Mr. Johnson, are you working at all with Mr. Glasco or DLA in your work that you are about in trying to install total asset visibility? Or are you depending entirely upon your consultant?

Admiral JOHNSON. We are consulting with DLA on all of those systems.

Ms. NORTON. I just think you can save us all some mistakes if an agency that is already doing it can look at it and give it a kind of second look, your whole new logistics system.

Let me finally say, before I close the hearing, we received an extremely long, extremely troubling letter from one of the unions in your agency. I am used to receiving letters from unions, and they have a different view of matters than an agency head. To be clear with you, I have run a Federal agency, had to work with unions, so I know how to receive these letters and read them. Very long, it is very troubling, it is very different from letters I have received from unions before. It is extremely detailed and it describes hiring problems, personnel problems. It goes well beyond the normal kinds of complaints from unions, who often do have valuable inside

knowledge, but obviously see the agency from your own point of view. Are you aware of this letter?

Admiral JOHNSON. I am aware of the letter, Madam Chair.

Ms. NORTON. Do you have any comments you would like to make at this time concerning the letter?

Admiral JOHNSON. I would just say that we have received the letter informally. It was not sent to us. We think there are a number of elements in the letter that perhaps merit review. We think there are also elements in the letter that seem very short on facts. But we get concerned when we see a letter that has those types of issues. We will take a look at the letter, we will evaluate every element and find which of those really needs to be explored.

What I would say is that FEMA has a strong relationship with our unions. Both Director Paulison and I meet with our labor management partnership council every quarter. This headquarters union has opted out of that process, and so does not meet with all the other unions.

Ms. NORTON. Why did it opt out of the process?

Admiral JOHNSON. It was the union president's choice to opt out of that process. That is the only union president that does not meet inside the labor management partnership council. Dave Paulison has worked with unions his entire professional life and has had great relationships with unions. We feel very strongly at FEMA that we have experienced people, we feel very strongly that we have a zero tolerance for racial or gender bias. And we believe that we are managing the agency with every degree of care that you would expect.

Ms. NORTON. I am going to obviously be replying to the union. I am going to ask the union whether this conglomerate process or not, to meet with you and you to meet with them, I don't think it does any good to have a non-communicative relationship with a major union in your headquarters operation. Again, I say, that was not fact-finding, it was their view of issues. I am a grown-up lady when it comes to receiving such letters.

What was unusual about the letter was its length, its great detail and what everyone thinks of the letter. It does indicate very serious morale problems that I believe the agency needs to attend to. In that way I am going to ask that you seek a meeting with the headquarters union and I am going to ask the headquarters union to be open to such a meeting.

Admiral JOHNSON. Yes, ma'am.

Ms. NORTON. I thank you very much. It has been very helpful testimony. There is a lot of work to do. I have put FEMA on notice, the agency is an agency in process of building. The whole notion of a new FEMA does not sit well with the public or with the Subcommittee when we see these repeated stories of breakdowns that frankly give the appearance of an agency that is just starting up.

You may know that on both sides, on both sides of this Committee, the chairs and ranking members favored removing FEMA from the Department of Homeland Security. I can't identify these problems as having locational roots. Therefore, they are especially serious, because they have seen FEMA, perhaps wherever it is, has the kinds of problems you would expect if you were saying, here is a new agency, we expect you to make mistakes.

What is most troubling to the Subcommittee is that Katrina does not seem to have left lessons in place that are being followed. If it has, it leaves lessons like, you need some food, over-supply them food. It leaves lessons like, whatever the oceanic service says must be gospel, therefore, make sure that you have as much food, including perishable food, on hand. And by the way, forget about it until it is time for it to expire and then throw it away.

You have to understand, I am putting myself in the head of the public. And from the point of view of the public, that seems to be the, that seems to be what you have taken from Katrina, that there is a way to do it if you do too much of it. When it comes to the trailers, I am very bothered by the fact that you haven't swiftly, swiftly gotten rid of as many of those trailers as possible.

So as far as I am concerned, and since I have been chair, there are nothing but black eyes for the new FEMA. I would like to see a new face and believe that you don't want to go around talking about a new FEMA and then have this kind of stuff in the newspapers. Yes, sir, I want to hear from you. Go ahead.

Admiral JOHNSON. I believe that you and the Committee and the public will judge FEMA by our performance.

Ms. NORTON. And that is what we have done with trailers and with food, sir.

Admiral JOHNSON. And I believe if you look at what FEMA did in the tornadoes in Florida and Georgia and Alabama, what we have done in floods, right now, Administrator Paulison is in Maine looking at those who are impacted by the nor'easter. He will be in New York and New Jersey on Monday.

I believe that you are seeing the new FEMA in the field. We are responding much more quickly than we have in the past. Our people are moving forward. We are leading forward in establishing partnerships, business partnerships. I believe that we are showing new FEMA.

As you know, from your experience, to judge an agency by the Washington Post or other newspapers, who only write bad articles, there are very few articles about the good things——

Ms. NORTON. But they were true articles. The fact is that \$2 million worth of food had to be thrown down the drain. The fact is that most of the food had to be given away. The fact is that nobody calculated how much food would or would not be needed.

Admiral JOHNSON. And as I pointed out, this driving down the road looking through the rear-view mirror, as we look toward the 2007 hurricane——

Ms. NORTON. So that was rear-view, that bothers me, in other words, planning could not have, in fact, resulted, even given what we have said here about short-term contracts, planning, better planning, it would not have resulted in better action from FEMA with respect to the food that was thrown away.

I mean, if FEMA doesn't even do debriefing, if FEMA is not even self-critical, but it sees all this as Monday morning quarterbacking——

Admiral JOHNSON. Madam Chairwoman, that is an unfair characterization.

Ms. NORTON. You said rear-view mirror, sir.

Admiral JOHNSON. I am saying——

Ms. NORTON. That is what got my attention.

Admiral JOHNSON. To be quite direct, Madam Chairwoman, if you continue to say that we are planning for the 2007 the way we planned for 2006, that is incorrect.

Ms. NORTON. No, that is wrong. You didn't prepare for the way. You over-prepared for it. As if there weren't experts on the ground who could have informed you, even at DLA.

Admiral JOHNSON. In 2007, where we sit today, we have less than half the inventory that we had last year. That represents good planning and a resistant——

Ms. NORTON. I understand that, sir. I am talking about the planning post-Katrina that resulted in the loss of taxpayers-funds. Obviously, if what you are saying is after every huge mistake we do good planning, this Subcommittee is here to tell you, that is unacceptable. The point is to plan so that you do not have to throw away \$2.5 million worth of food or give millions of dollars even to a good cause.

And sir, in terms of what you have done with the small hurricanes, we were very pleased to see that. But you must understand that nobody will think there is a new FEMA until you have been tested by a major disaster. So don't throw some small hurricanes, some of which were not even disasters, under the FEMA statute at us. What we are looking at and what we are going to have hearings on is the possibility that you could have a great earthquake in San Francisco and a major hurricane here, given global warming, on the East Coast. Now, that is going to be your test. And you have got to be sufficiently self-critical so that FEMA asks itself every day, are we ready for that test, rather than, there were a few small tornadoes, we weathered that, so what is there to complain about.

Admiral JOHNSON. We are very self-critical, and we are preparing very well for the upcoming hurricane season, and we will be prepared, as we are now, for New Madrid and for earthquakes on the West Coast. We have been very self-critical and we are making significant changes inside FEMA. I welcome the opportunity to meet with you or your staff to talk about the many, many changes across the entire breadth of FEMA that Dave Paulison is bringing to the people of our Nation.

Ms. NORTON. We will be having a hearing on FEMA's preparedness for truly large disasters. We think we are in a period of the truly unpredictable. We believe that there are climatic changes that will befuddle even the best of our scientists. I for one would have had a whole lot less problems with FEMA after Katrina if there had been even minimal kinds of preparedness. What we saw at Katrina was the total breakdown of the agency to understand. It was, of course, that it was beyond what any agency had a right to expect, or we had the right to expect from any agency.

But nobody can now claim after multiple reports that this agency was ready for anything remotely like a huge disaster. The reason that some of us take great lessons from that, certainly people like me, who are also on the Homeland Security Committee, is that we believe that Katrina was a dress rehearsal for a terrorist disaster, except for one thing. Nobody will forecast the terrorist disaster, whereas there at least was an accurate weather forecast about Katrina.

So you will not find the Subcommittee anything but disappointed and critical as we hear repeated failures in the agency. We will expect you to be proactive, yes. But we will expect there to be experts in the agency, apparently there are some in DLA, who can help the agency recover. I very much appreciate your being here. If you have anything further to say, I would be glad to hear it. But you need to know just how stringent is going to be the oversight of FEMA. We believe that FEMA is the most troubled agency still in the Federal Government.

Admiral JOHNSON. We welcome your review.

Ms. NORTON. Thank you so much, sir.

[Whereupon, at 10:35 a.m., the subcommittee was adjourned.]

**Subcommittee on Economic Development, Public
Buildings and Emergency Management**

**Hearing on “FEMA’s Emergency Food Supply System”
Thursday, April 20, 2007**

Statement – Congressman Jason Altmire (PA-04)

Thank you, Chairwoman Norton, for holding this hearing today on FEMA’s Emergency Food Supply System, which distributes food to individuals in the wake of an emergency or natural disaster. According to the Washington Post, 13.4 million prepared meals went unused or spoiled during the 2006 hurricane season because of inadequate refrigeration and storage space. I look forward to examining the effectiveness and efficiency of FEMA’s food storage and delivery system, as well as its planning for the provision of food for future events. Thank you again, Chairwoman Norton, for your attention to this issue. I yield back the balance of my time.

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The Honorable Sam Graves, Ranking Republican Member

**Subcommittee on Economic Development, Public Buildings
and Emergency Management**

Hearing on “FEMA’s Emergency Food Supply System”

April 20, 2007

[When recognized]

THANK YOU, MADAME CHAIR, FOR HOLDING
THIS HEARING ON FEMA’S LOGISTICS AND
COMMODITY DISTRIBUTION SYSTEM. I LOOK
FORWARD TO LEARNING ABOUT FEMA’S EFFORTS TO
DEVELOP A 21ST CENTURY LOGISTICS SYSTEM THAT
WILL DRAMATICALLY REDUCE GOVERNMENT WASTE
AND IMPROVE DISASTER RESPONSE.

AS A FISCAL CONSERVATIVE, ONE OF THE MANY
APPALLING ASPECTS OF THE RESPONSE TO
HURRICANE KATRINA WAS THE TREMENDOUS

WASTE AND HIGH PRICES THE GOVERNMENT PAID
FOR SUPPLIES AND SERVICES.

THE AMERICAN TAXPAYER PAID FAR TOO MUCH
DURING KATRINA BECAUSE THE GOVERNMENT DID
NOT HAVE THE SYSTEMS OR CONTRACTS IN PLACE
TO MANAGE A DISASTER OF THAT SCALE. INSTEAD,
MASSIVE CONTRACTS WERE LET IN THE MIDDLE OF A
CRISIS AND THE AMERICAN TAXPAYER PAID DEARLY
FOR SUPPLIES AND SERVICES.

AFTER HURRICANE KATRINA, THE HOUSE
CONDUCTED AN EXHAUSTIVE REVIEW OF WHAT
WENT WRONG WITH THE GOVERNMENT'S RESPONSE
TO THAT TERRIBLE STORM.

ONE OF THE KEY FINDINGS WAS FEMA LACKED
AN EFFECTIVE LOGISTICS SYSTEM FOR DELIVERING
CRITICAL COMMODITIES AND EQUIPMENT TO THE
RIGHT PLACE AT THE RIGHT TIME.

ONCE A TRUCK ENTERED INTO THE DISASTER ZONE, FEMA HAD LITTLE IDEA WHERE IT WAS OR WHEN IT WOULD ARRIVE AT ITS FINAL DESTINATION. AS A RESULT, THERE WAS SIGNIFICANT WASTE AND HUMAN SUFFERING AS CRITICAL SUPPLIES REACHED THEIR DESTINATIONS LATE OR NOT AT ALL.

DURING THE 2006 HURRICANE SEASON FEMA'S OUTDATED LOGISTICS SYSTEM ONCE AGAIN COST THE TAXPAYER TOO MUCH MONEY. IN THIS CASE, FEMA'S INABILITY TO PROCURE AND DELIVER LARGE QUANTITIES OF FOOD IN A FAST AND EFFICIENT MANNER COMPELLED FEMA TO STOCKPILE ROUGHLY 30 MILLION MEALS IN HURRICANE PRONE STATES.

WHEN THE NATIONAL HURRICANE CENTER'S PREDICTION OF ANOTHER RECORD BREAKING HURRICANE SEASON FAILED TO MATERIALIZE, FEMA WAS FORCED TO DONATE ABOUT \$70 MILLION IN FOOD TO SECOND HARVEST BEFORE ITS SHELF LIFE EXPIRED. FORTUNATELY, FEMA WAS ABLE TO PUT

THOSE MEALS TO GOOD USE RATHER THAN DISCARD THEM.

THE POTENTIAL SAVINGS FROM A 21ST CENTURY LOGISTICS SYSTEM ARE CONSIDERABLE. IMPROVED ASSET VISIBILITY AND JUST IN TIME DELIVERY WILL ENABLE FEMA TO SCALE BACK ITS INVENTORIES, SAVE ON STORAGE COSTS, AND AVOID EXPIRED COMMODITIES IN THE FUTURE.

MORE IMPORTANTLY, A MODERN LOGISTICS SYSTEM WILL ENABLE FEMA TO DELIVER CRITICAL SUPPLIES AND EQUIPMENT WHERE AND WHEN THEY'RE NEEDED, THUS SAVING LIVES AND REDUCING SUFFERING.

THERE IS AN OLD ARMY SAYING THAT:
"AMATEURS STUDY TACTICS, BUT PROFESSIONALS STUDY LOGISTICS." IN MANY WAYS RESPONDING TO A CATASTROPHIC DISASTER IS LIKE FIGHTING A WAR, AND LOGISTICS IS THE KEY TO WINNING.

I BELIEVE IT IS SAFE TO SAY THAT YOUR EFFORTS TO MODERNIZE FEMA'S LOGISTICS ARE ONE OF THE TOP FIVE PRIORITIES OF THE FEMA REFORM BILL OUR COMMITTEE ENACTED LAST YEAR.

OUR COMMITTEE HAS A LONG HISTORY WITH FEMA, AND I WANT YOU TO KNOW WE WANT YOU TO SUCCEED AND WE ARE HERE TO HELP YOU.

AGAIN, I WOULD LIKE TO THANK OUR WITNESSES FOR BEING HERE TODAY. I LOOK FORWARD TO YOUR EXPERT TESTIMONY.

**STATEMENT OF THE HONORABLE
ELEANOR HOLMES NORTON
HEARING
APRIL 20, 2007
FEMA'S EMERGENCY FOOD SUPPLY SYSTEM**

Our subcommittee began what is intended to be a vigorous oversight agenda on FEMA and FEMA-related issues, by working with the Democratic Leadership, and quickly passing out of committee H.R. 1144, the Hurricanes Katrina and Rita Federal Match Relief Act of 2007 to provide significant relief for communities devastated by Hurricanes Katrina, Rita, and Wilma and focus on unaddressed concerns since these disasters. An amended form of the legislation is included in the Emergency Supplemental Appropriations that passed the House and Senate and will soon go to conference. We also collaborated with the Committee on Financial Services on H.R. 1227, the Gulf Coast Hurricane Housing Recovery Act of 2007, to ensure that the legislation allows Louisiana to use its Hazard Mitigation Program funds for its Road Home program. These protections were included in the legislation that passed the House last month.

Following our recent hearing on post-Katrina housing, our subcommittee today holds another in a series of oversight hearings on FEMA issues. As part of this subcommittee's jurisdiction over FEMA's operations and programs, we are especially interested in and will conduct oversight on all aspects of the "New FEMA."

This morning we will focus on FEMA's distribution system, especially distribution of perishable items, an issue that was addressed in last summer's FEMA reform legislation. According to the recently passed Post Katrina Emergency Management Reform Act of 2006, FEMA is required to develop an "efficient, transparent, and flexible logistics system." Yet recently the press reported that \$70 million in food aid was lost or had to be distributed for unintended purposes due to a failure of logistics. With press reports concerning the availability of trailers when they are needed and disposal of trailers that are stored and now new food distribution and storage issues it is fair to ask whether the "New FEMA" is any different from the old FEMA. The public witnessed the tragic breakdown of FEMA operations and the public will not be convinced that there is anything new unless news accounts concerning FEMA operations cease.

In 2005 FEMA was soundly criticized for not anticipating what should be done, for not doing enough and for not doing it fast enough in response to Hurricane Katrina. In 2006 FEMA was proactive in anticipation of what was predicted to be an active hurricane season that did not occur.

Surely, however, professional emergency experts should have anticipated, even hoped, that weather predictions would not be accurate. Any citizen who follows daily weather predictions knows that the nature of weather movements and causes these reports to frequently miss the mark on a daily basis. Consultation with the National Oceanic and Atmospheric Administration on which FEMA relies, would confirm the difficulty inherent in predicting an entire season of weather. Not preparing proved to be tragic. Overpreparing without sufficient plans for storage and timely and appropriate disposal of perishable supplies, wasting millions in taxpayer funds, is unprofessional.

We are distressed about what the problems highlighted by FEMA's emergency food supply system indicate about FEMA's entire logistics and response system. There has been more than enough time and telling patience to expect the new FEMA logistics system to be state-of-the-art, anchored in comprehensive logistics and materials management expertise. I am particularly interested in hearing from the Defense Logistics Agency (DLA) regarding its distribution system and about its partnership with FEMA.

Moreover, FEMA failed to accurately report the facts surrounding the Food Supply System's failures. Specifically, a press statement in last Saturday's newspaper by a FEMA spokesperson had to correct what he said the day before. Specifically he said, "In the process of standing up the new logistics directorate, some of the information was mishandled and inappropriately directed to FEMA leadership," whatever that means. If the agency cannot effectively determine what kind of food was stockpiled last summer or what you did with it, how can FEMA track and supply commodities in the middle of a hurricane? My fear is that this is symptomatic of the "brain drain" at FEMA where experienced emergency managers have left and the morale of employees is reportedly at serious lows. The subcommittee has received a lengthy letter from the American Federation of Government Employees detailing troubling personnel, hiring, morale and other issues. Replacements by well intentioned people who nonetheless have little or no experience in emergency management only assures a redux of the old FEMA.

We welcome to today's witnesses and look forward to a hearing that will add to the Committee's body of knowledge that will enable us to assist the agency and the agency to help itself live up to its marketing as the public "New FEMA".